



Purpose

The Colorado Enterprise Zone (EZ) Program was created by the Colorado Legislature (C.R.S. Title 39, Article 30) to promote a business friendly environment in economically distressed areas by offering state income tax credits that incentivize businesses to locate and develop and non-profit organizations to assist with the needs of these communities.

The Enhanced Rural Enterprise Zone (EREZ) program provides greater financial incentives to businesses to promote and encourage new job creation in designated economically lagging rural Enterprise Zone counties (C.R.S. 39-30-103.2 and 105.1).

Program Description

Business located in an EREZ may qualify for the following state income tax credits. The credits are in addition to those granted to businesses in the standard Enterprise Zone. Businesses are no longer required to qualify as a New Business Facility, and the credit amounts have been increased for the tax year commencing 1/1/2014.

BUSINESS INCOME TAX CREDITS EREZ Business Facility Credits	CREDIT AMOUNT	FYI
EREZ– New Jobs Credit	\$2,000 per new job	Reference FYI Income 10 for the NBF Credits. An updated FYI is not yet available
EREZ – New Ag. Processing Jobs Credit	\$500 per new job	

Requirements/Eligibility Rules

EREZ's are counties in an Enterprise Zone that meet two of the following five criteria:

1. County unemployment rate greater than 50% above state average.
2. County per capita income less than 75% of state average.
3. County population growth rate less than 25% of state average.
4. Total non-residential assessed value ranks in lower half of all counties.
5. County population less than 5,000.

The following counties are designated Enhanced Rural Enterprise Zones (2013-2014):

Archuleta	Crowley	Jackson	Mineral	Saguache
Baca	Custer	Kiowa	Otero	San Juan
Bent	Delta	Lake	Ouray	Sedgwick
Cheyenne	Dolores	Las Animas	Phillips	Washington
Conejos	Hinsdale	Lincoln	Prowers	
Costilla	Huerfano	Logan	Rio Grande	

The state promulgates a revised list of eligible counties every two years. When a county is removed from the EREZ list, taxpayers who have previously committed to future job creation plans in such county may file a certification for an extension of up to five additional years to continue claiming EREZ credits based on additional job creation.

Application Process

Each income tax year, a business located in an EZ must file and be Pre-certified prior to beginning an activity to earn any of the business tax credits listed. At the end of the income tax year, a business must Certify that the activities were performed. Pre-certification and Certification are applied for online.

Applications and Additional Information: www.advancetcolorado.com/ez